



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 8/18/2006

GAIN Report Number: CH6069

China, Peoples Republic of

Agricultural Situation

Newsflash I.12

2006

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Report Highlights:

This report provides a news synopsis of trade policy and agriculture/commodities in China. Trade policy includes: MOFCOM to relocate unused 2006 TRQs for wheat, corn, rice, sugar, and cotton, New standard on extraction solvents for edible oils to be issued this year, Hong Kong accepting Mainland China's fresh and chilled pork Agricultural/commodities news includes: Human death attributed to HPAI infection in Xinjiang, HPAI outbreak in Hunan Province, Guangdong poultry production to lose US\$ 125 million in the first half of 2006, Livestock production develops steadily in Hubei Province

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Beijing [CH1]
[CH]

Trade Policy

MOFCOM to reallocate unused 2006 TRQs for wheat, corn, rice, sugar, and cotton

The Ministry of Commerce (MOFCOM) and the National Development and Reform Commission (NDRC) announced that 2006 tariff rate quota (TRQ) holders should return their unused quotas for wheat, corn, rice, sugar, and cotton to MOFCOM or NDRC by September 15 and only end users who have used up their 2006 TRQs or other eligible applicants may apply for reallocation of the unused TRQs through September 1-15. (International Business Daily, 8/16/2006, WBG)

New standard on extracting solvents for edible oils to be issued this year

China is likely to publish an industry standard for extracting solvents used during producing edible oils. The new standard will be in line with the United States and the European Union's standards. The objectives of the standards are to reduce harmful substances, including sulfur, aromatic hydrocarbon and benzene. The current voluntary standard was developed in 1996. China produces more than 2,000 MT of edible oil each year and 80,000 MT of extraction solvents are used. (China Food Newspaper, 8/15/06, WBG)

Hong Kong accepting Mainland China's fresh and chilled pork

On August 15, 2006, Hong Kong began accepting applications for fresh and chilled pork imports from Mainland China. The first batch of 200 fresh and chilled pork carcasses will be introduced to Hong Kong's market as early as next week. All imported fresh and chilled pork must come from eligible slaughter and processing plants registered for export to Hong Kong. Currently, Hong Kong's imported fresh and chilled pork is mainly sourced from Thailand, Australia and the United States. In the past, Mainland China could only export frozen pork to Hong Kong. (China Food Newspaper, 8/17/2006, ZJP)

Agriculture/Commodities

Human death attributed to HPAI infection in Xinjiang

On August 14, 2006, the Ministry of Health announced a human death attributed to highly pathogenic avian influenza (HPAI) in Xinjiang Uygur Autonomous Region. A farmer in Xingjiang fell ill on June 19 and died on July 12. The disease control center at local and national levels tested samples from the infected farmer. Both results showed H5N1 negative. After initial testing at the local and national levels showed negative results, the Chinese Disease Control Center retested the samples, and identified the H5N1 virus. The infected farmer indicated that he did not leave the village one month before contracting the disease and alleges not to have had close contact with any infected human or poultry. (People's Daily, 8/15/2006, ZJP)

HPAI outbreak in Hunan Province

On August 15, 2006, the Ministry of Agriculture (MOA) notified FAS Beijing that the National Avian Influenza (AI) Reference Lab confirmed the August 14th outbreak of highly pathogenic AI (HPAI), H5N1 strain, from the samples presented by a commercial duck-raising facility in Hanhui Village of Laodaohe Township in Kaifu District, Changsha City, Hunan Province. Approximately 1,805 infected ducks died and the entire flock of 217,000 was culled shortly after the outbreak. (MOA notification, 8/15/2005, ZJP)

Guangdong poultry production to lose US\$125 million in the first half of 2006

Guangdong poultry production is forecast to lose US\$ 125 million in the first half of 2006 from the impact of highly pathogenic avian influenza (HPAI). Although total meat production is forecast at 1.89 MMT, a 2-percent increase over the same period in 2005, slaughtered poultry was forecast at 460 million birds, a 5-percent decrease. Poultry egg production was forecast at 154,000 MT, a 3-percent decrease. Slaughtered swine was forecast at 19 million head, a 2-percent increase. Cow milk production was forecast at 57,500 MT, up 5 percent. (Farmers Daily, 8/17/2006, ZJP)

Livestock production develops steadily in Hubei Province

In the first half of 2006, Hubei slaughtered 15 million head of swine, a 4-percent increase over the same period in 2005. Slaughtered cattle were 488,300 head, up 5 percent. Slaughtered sheep and goat were 1.55 million head, up 5 percent. Slaughtered poultry were 168 million birds, up 1 percent. Poultry egg production was 547,900 MT, up 1 percent. (China Livestock and Veterinary Newspaper, 8/13/2006, ZJP)